MULTIMEDIA UNIVERSITY

STUDENT ID NO

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FINAL EXAMINATION

TRIMESTER 1, 2015 / 2016

TTT3141 – TECHNOLOGY TRANSFER

(All Sections / Groups)

16 OCTOBER 2015
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 6 pages with 2 sections. Section A contains 1 Case Study Question and Section B contains 3 Structured Questions.
2. Attempt **ALL** questions in **SECTION A** and **ALL** questions in **SECTION** B. The distribution of the marks for each question is given.
3. Please print all your answers in the answer booklet provided.

SECTION A: CASE STUDY - 20%

China's WeChat is more Innovative than you think

Editing by Steven Millward, https://www.techinasia.com/5-ways-wechat-is-innovative/, retrieved on 18 June 2015.

Tech in Asia has been covering WeChat, China's most popular mobile message app, before it even had an English name. Meanwhile, international tech media outlets (including ourselves) have also been following the evolution of other messaging apps such as WhatsApp, Line, Facebook Messenger, and many, many others. Over the past year or so there's been lots of talk about how these messengers are maturing into "platforms" – or, apps that users will use to buy things, and that business and organizations can use to reach an audience.

However, as others have correctly pointed out, it's not appropriate to lump China's WeChat alongside these other chat apps. This is in large part because it's simply far ahead of its like-minded competitors with respect to the "platform" side of things. When a user opens up WeChat in any language other than Chinese, they'll likely see a messaging app that, for the most part, looks and works just like Line or Viber. But for Chinese speaking users, WeChat is a rabbit hole – full of all sorts of features that apps like Line haven't even come close to adding. Indeed, Tencent internally continues to refer to "WeChat in China" only as Weixin (its Mandarin name), while its international counterpart is referred to as WeChat.

Countless Chinese media organizations operate subscription accounts on WeChat, through which they send out daily digests to subscribers. It's quite easy to keep up with the Chinese news cycle just by following a few choice accounts. Moreover, these news organizations don't just send out links re-directing readers to their official websites – instead, when readers press a link to a story, they're moved to a standalone webpage under Tencent's mp.weixin.qq URL, viewable within WeChat's in-app browser. Users can also save articles and then view them later within WeChat (albeit not offline), in a clean format that's uninterrupted by noisy ads and cluttered sidebars.

What's the result here? While WeChat doesn't offer the same degree of customization as apps like Readability or Flipboard, it has many of the functions of those social news-reading apps. It lets users read articles in a visually pleasing format, and users can then share those articles within WeChat and outside of WeChat. While a "read offline" function might not help WeChat earn extra money, the app is just a few lines of code away from turning into an outstanding reading service in the vein of Pocket.

WeChat's international versions have thus far been very selective with regard to what entities qualify for a public account. But in China, nearly anyone can register for a public account. As a result, there are many bloggers in China who use WeChat as their primary channel for publishing posts. Much like your average Joe with a WordPress account, some of these bloggers write on specific themes and amass loyal followings, while others publish posts that read like a daily journal.

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Before we dive into this bit, let's first clarify the different account tiers offered to owners of public accounts on WeChat. Right now, WeChat offers two types of public accounts: "subscription accounts" and "service accounts." It's worth noting that WeChat itself is currently in the process of further refining and distinguishing its two different account types, so for now, overlap is quite common.

In most cases, users and entities who register for a free subscription account get access to a customizable API which, at its most complex, lets users perform actions using the company's own internal tools. Users or entities who register for a free service account get access to a different customizable API which, at its most complex, lets users carry out tasks right inside the WeChat messaging window. For both account types – "service" and "subscription" – account holders can apply for verification once they've reached over 500 followers. Once the application is processed, account holders will gain access to an even more extensive set of customizable APIs.
It gets more complicated than that, but that's precisely the point – books have been written about marketing on WeChat, and social media ninjas have emerged from the fold to help firms learn best practices.

In China, however, businesses large and small are opening up public accounts – subscription accounts and service accounts – to sell goods and services. Since WeChat, unlike Line, charges either no fee or a minimal fee for opening a public account, small businesses on shoestring budgets can open accounts. And since the APIs are so deeply customizable, businesses can be sure to find a UI solution that suits their needs. Users, meanwhile, seldom are required to leave WeChat and open a mobile browser to complete payment – this extra step might prove just cumbersome enough to deter a purchase.

WeChat remains very advanced as a messaging app and a marketing tool. When it comes to e-commerce, it's still in its infancy, though it's maturing quickly.

After launching WeChat Payments as part of a v5.0 update for the app last August, Chinese users can bind their bank cards to the app and begin completing monetary transactions. In the five months since that feature was introduced, those transactions have grown increasingly sophisticated. Initially they were limited to stickers, in-game purchases, and deals on Tencent's 51buy e-store. Now, WeChat users can buy a lot more things, like movie tickets and cab rides. Tencent also imported online investment fund into WeChat, thereby providing users further incentive to take move their money from their savings accounts, where it's likely collecting dust, to a money-market fund where it can gain from a far higher interest rate.

WeChat's emerging payments function got a boon last week after Tencent rolled out a money gifting function that went viral in China during Chinese New Year. The scheme let any user send a lump sum of cash (a "red envelope,") to a specific group of friends on WeChat. Yet this lump sum would be distributed randomly, leaving some recipients with a hefty reward, while others might only get a measly 1 RMB. The scheme proved successful enough to draw in five million participants, indicating that the app now has at least that many bank accounts bound to it.

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When it comes to communicating in a professional context, users in the US treat social media differently from users in Asia (or to be specific, in Taiwan and in mainland China). When to reach US-based contacts for work-related purposes, doing so through Facebook is nothing less than taboo.

Outside of media circles, pinging a contact on Twitter for work-related purposes toes the borderline of acceptable professional conduct. Email, it seems, remains the status-quo for connecting with peers. It's a different story for my Asia-based contacts. In Taiwan, Facebook isn't just fair game, it's not unusual to see a barrage of friend requests the day after a networking event. Meanwhile, to reach out to professional contacts all over mainland China is using WeChat. On some occasions, even receive press releases on WeChat.

Factor this apparent social norm in conjunction with LinkedIn's strong adoption in China even without a Chinese-language version, and WeChat's recent LinkedIn integration looks like a massive win for both parties. WeChat now has one more reason for its users to open the app – job hunting and recruitment – while LinkedIn gains direct access to one of the most widely used social networks in the country.

WeChat and the network effect

How does a messaging app gain users? WhatsApp might argue that the key to winning a market is to focus on messaging and only messaging. Line might argue that building a brand and culture are essential to luring in followers. Kik might argue multimedia support is key.

The discrepancy between the wild world of WeChat's China version and its more spartan international version shows how the cart can't come before the horse. Users will use messaging apps because their friends are on it. Only then, after a mass number of users have flocked to the service, can a messaging app become an exciting place where friends, family, bloggers, businesses, and media outlets all congregate.

As a result, there's an element of irony to WeChat's success in China, and Tencent's international ambitions for the app. Tencent has hedged its bets on its outstanding messaging app as its best hope to date for an international hit. It's likely pumped out tens of millions of marketing dollars to ensure it doesn't go unnoticed in target markets. But marketing dollars can only do so much to take a messaging app to the top.

So while WeChat's China version might stand as the best, most sophisticated, forward-thinking app of its kind – a model for other apps to aspire to – there's still no guarantee that its international versions will ever reach that same degree of "platform-ization." WeChat's China version is an outstanding product. However, if international users are swayed towards the likes of WhatsApp or Line instead, the most we can hope for is that other leading messaging apps will learn from Tencent's innovation.

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Questions:

(a) The communication and social change are two main perspectives explaining the diffusion of innovation process. Based on your own understanding and the case of WeChat, briefly discuss the definition of diffusion of innovations.

(7 marks)

(b) Briefly outline and discuss the five ways in which WeChat excel over its competitors.

(10 marks)

(c) Based on the given case, explain the role of Technology Transfer in bringing WeChat to global user.

(3 marks)

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SECTION B: STRUCTURE QUESTION - 30%

Question 1 – 10%

(a) Identify and discuss the FIVE key internal characteristics of organizational structure.

(10 marks)

Question 2 – 10%

(a) The main function of an incentive for adopters is to increase the degree of relative advantage of the new idea.

i. Define the term "Incentive" in technology transfer. (1 mark)

ii. List and discuss the FIVE types of incentives for adopters. (5 marks)

(b) Define the term "Compatibility". Based on your understanding, list and discuss THREE dimensions of compatibility.

(4 marks)

Question 3 – 10%

(a) The adoption of an innovation usually follows a normal, bell-shaped curve when plotted over time on a frequency basis.

i. Draw and define the bell-shaped curve in technology diffusion process.
(2 marks)

ii. Explain the characteristics of the FIVE adopter categories.
(5 marks)

(b) Define the formal term "Diffusion".

(3 marks)

End of Paper